

Nationwide Tax Forum

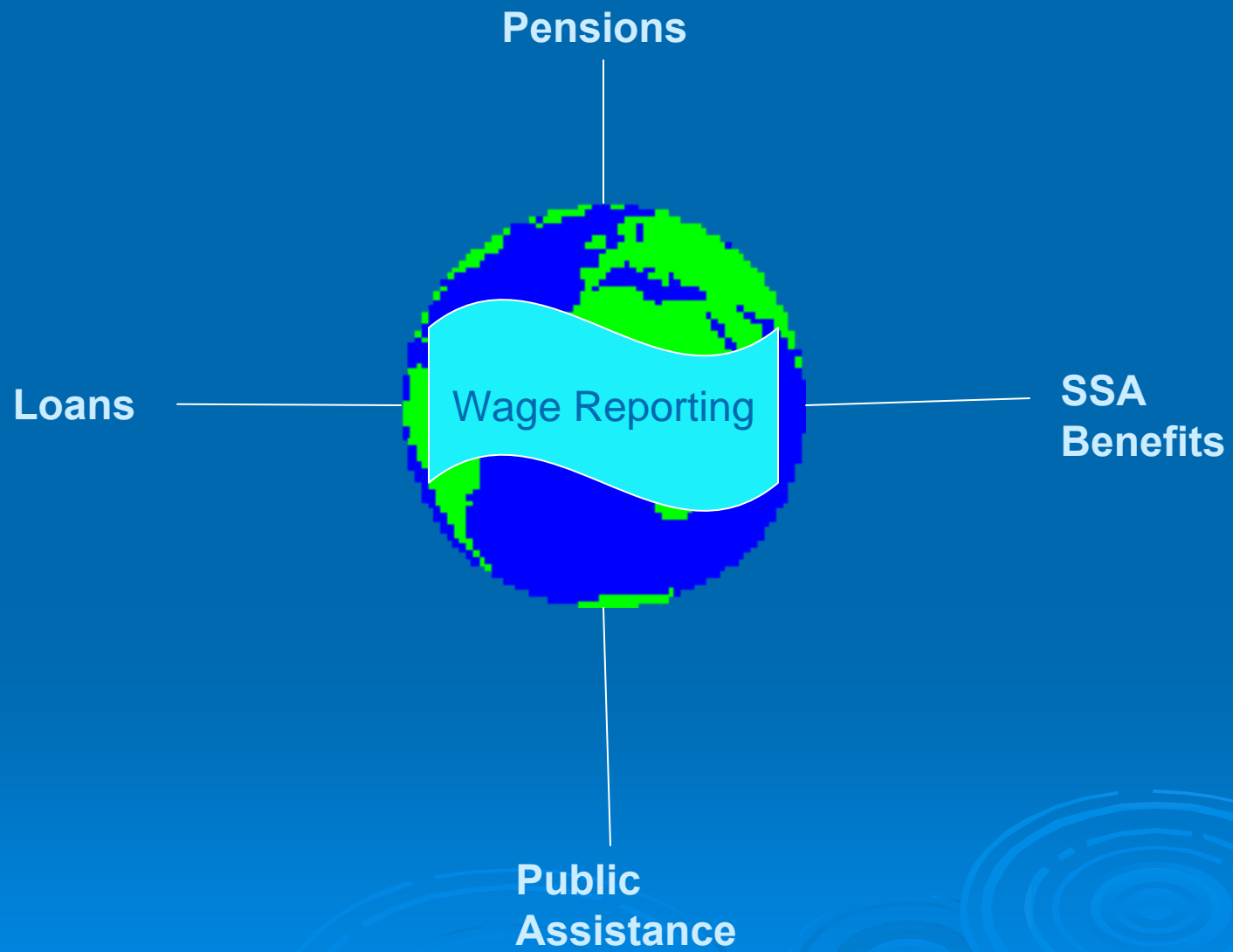
W-2 Payroll Pointers



Tyrone Benefield

Employer Service Liaison Officer

New York Region



2008 W-2 Reminders

Soc. Sec. Wage Maximum = **\$102,000.00**

Furnish EE copies by **January 31, 2009**

When to File with SSA:

Electronic by **March 31, 2009**

-or-

Paper by **March 2, 2009**

- Do file on time
- Do **not** duplicate e-file with paper forms
- Do **not** file 250+ on paper



Started in 2007; All prior versions still valid.



W-2/ W-3 Instructions & Forms

- **Official Forms W-2/W-3 available each spring (800-829-3676)**
- **Use IRS instructions for completing paper forms and electronic W-2s**
- **SSA Electronic Filing Specifications**
 - **EFW2 (W-2s)**
 - **EFW2C (W-2Cs)**
 - **Online publications -**
www.socialsecurity.gov/employer/pub



Electronic Filing

- **250+ W-2s – Must E-File using SSA's Specifications For Filing Forms W-2 Electronically**
- **Under 250 W-2s – E-File preferred**
 - **Up to 20 W-2s–**
 - **W-2 Online (no software required), or**
 - **EFW2 file upload**



EFW2 Sources for File Upload Method

- **Proprietary (in-house) program**
- **Vendor payroll software package**
- **Payroll/tax filing agent (outsource)**

See “Vendor List” at



www.socialsecurity.gov/employer



W-2 & W-2C Online

- **No forms or software needed**
- **Key data into forms online**
 - **20 W-2s per W-3**
 - **5 W-2Cs per W-3C**
- **Built-in surface edits**
- **Ability to print all copies of forms**
- **Restricted to current filing year**



Calling Dr. Accuwage



Free software to test the formatting of your EFW2
or EFW2C file

www.socialsecurity.gov/employer/software

More on W-2 Electronic Filing

**Attend one of the advanced
sessions**

Wednesday 9:05 AM, Room 3

or

Thursday 10:10 AM, Room 3

Paper W-2 Filing

- Up to 249 W-2's per EIN
- Must be machine readable –
 - Official IRS Copy A W-2/W-3 forms
 - or-
 - IRS Pub. 1141 compatible
(vendor Copy A forms or b/w software versions approved by SSA)
- Send under cover of W-3 to SSA
(See “Where To File” on W-3)



Common W-2 Reporting Errors

- **Wrong tax year**
- **Money fields out of balance**
- **Wrong data (e.g., partial/ prior year)**
- **Name/SSN mismatches**
- **Wrong EIN**
- **Incorrect format**
- **Duplicate Reporting**



Filing Corrections (W-2C)

- **250 or more W-2Cs – must file electronically**
 - **Applies to immediate prior tax year**
 - **File upload (EFW2C format), or**
 - **W-2C Online**
- **Filing paper?**
 - **Use January 2006 version from IRS, or**
 - **IRS Pub. 1223 compatible forms**



Hiring Foreign Workers

- Verification with DHS for foreign workers before an SSN issued
 - Immediate verification
 - Delayed verification
- How to file report without an SSN
- ITIN is **not** an SSN

www.socialsecurity.gov/employer



ITIN

- **Individual Taxpayer Identification Number**

9xx-7x-xxxx

9xx-8x-xxxx

- **Not** valid for U.S. employment
- Issued by IRS to non-citizens who do not have an SSN but have tax liability
- Apply for ITIN on IRS Form W-7



What is SSNVS?

- **SSN Verification Service**
- **Web-based verification of employee name and SSN**
- **Users must register for User ID/ password and request service**
- **Cannot be used to screen potential hires – for employees, only**
- **Cannot be used for tax filing purposes**



E-Verify

- **Joint DHS/SSA web-based system**
- **Participating employers verify all new hires**
- **Checks both SSN and I-9 information**
- **Voluntary — to enroll**

Contact DHS at (888) 464-4218, or

www.uscis.gov

Click on the E-Verify logo :



No SSN by W-2 Time?

➤ Paper Filers

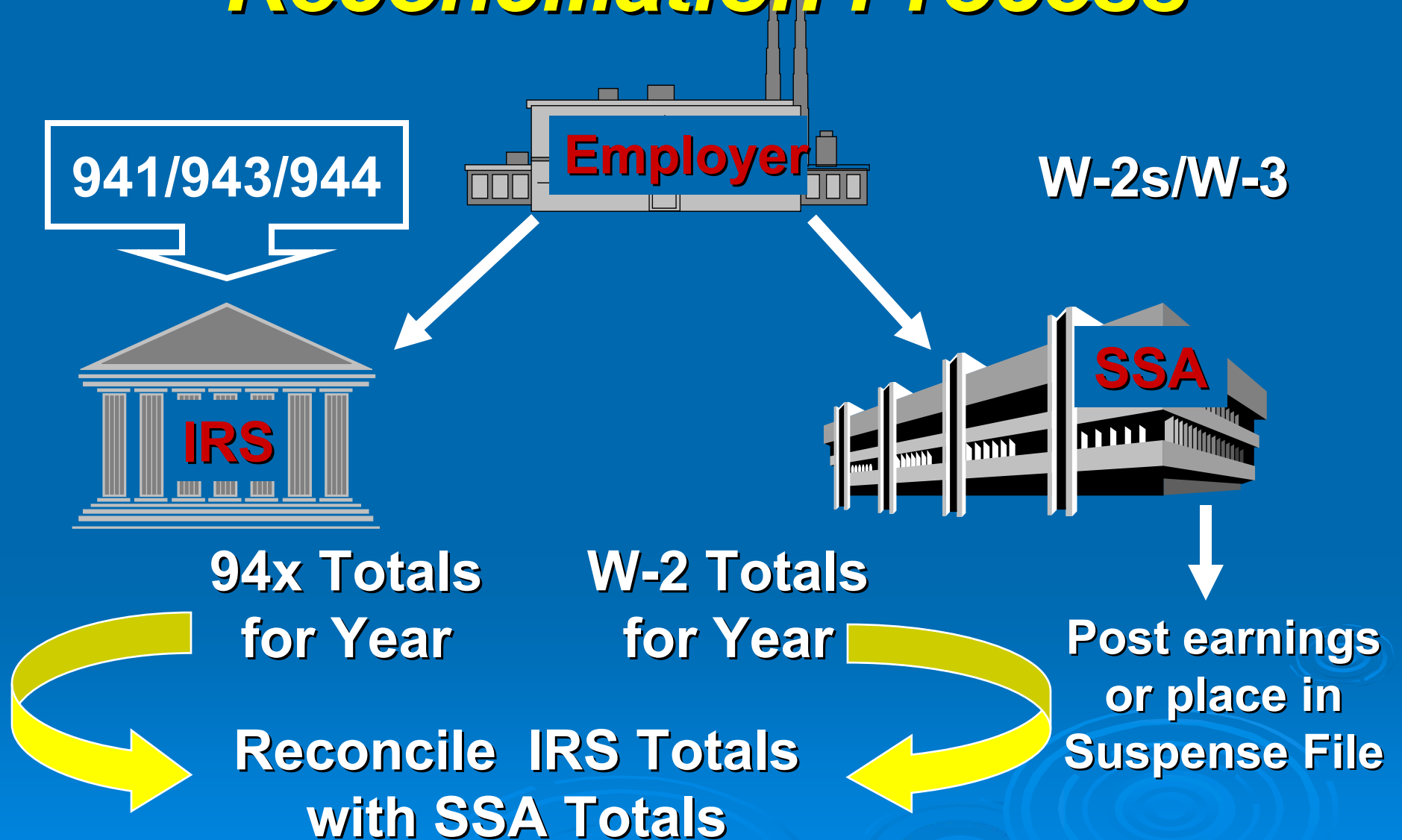
- Enter “Applied For” on all copies**

➤ Electronic Filers

- “Applied For” on employee and employer copies**
- All zeroes in W-2 Online or EFW2**
- File W-2c after employee receives SSN (E-File preferred)**



Reconciliation Process



Items Reconciled

Social Security

- ✓ Wages
- ✓ Tips
- ✓ Tax Withheld

Medicare

- ✓ Wages and Tips
- ✓ Tax Withheld

- ✓ Federal Income Tax Withheld
- ✓ Advance EIC Payment

- W-2s **less** than 94x – SSA sends notice
- W-2s **more** than 94x – IRS sends notice

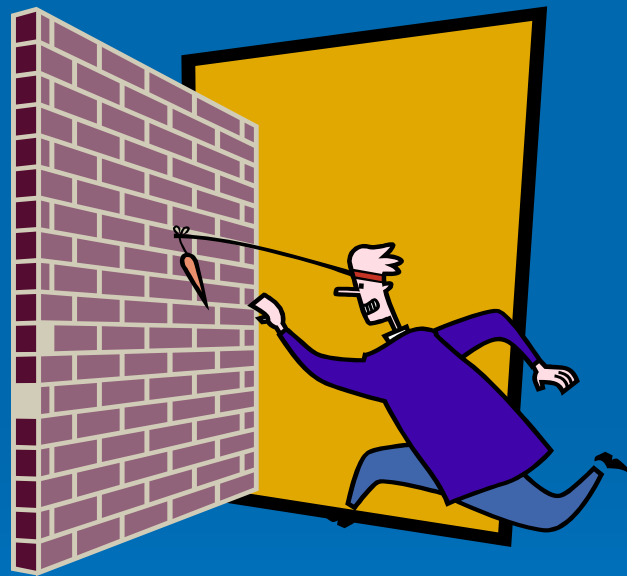


No Replacement W-2 File



Processed Submissions with Errors
Require Correction

When in doubt consult your ESLO

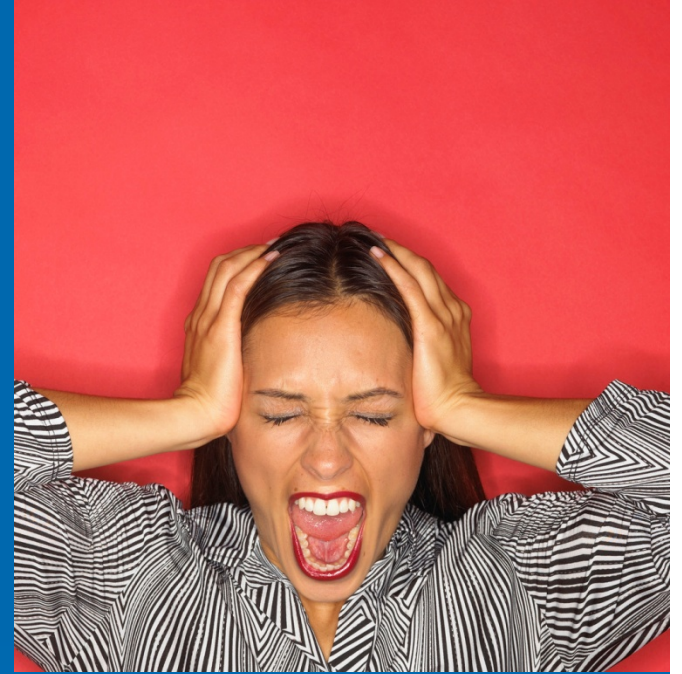


Sorting Out The Problem



Oh No, Not Again!

**My earnings for this
past year are not on
my Social Security
Statement**

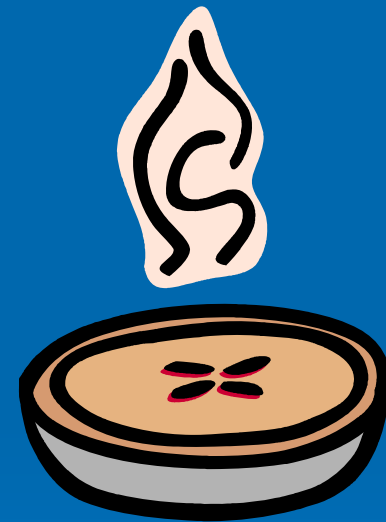


**My name is really Mary Jones
but I prefer Cookie Jones on my W-2**

Submitting the same file twice



Both a Partial Report and Whole Report Submitted



Patience Not Panic Yields Good Results



Helpful Correction Guides in EFW2C

- Section 3.0 – Making Corrections
- Section 3.1- Correcting a Processed File
- Section 3.2 - How to Make Corrections
- Section 3.2.1 - Correcting Puerto Rico Wages
- Section 3.2.2 – Correcting Wages for Virgin Islands, Guam, American Samoa, or Northern Mariana Islands

When in Doubt Contact Your ESLO



Social Security Regional Employer Services Liaison Officers

EMPLOYER REPORTING SERVICE CENTER:
1-800-772-6270

Boston-CT, ME, MA, NH, RI, VT

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How to Contact Us

Employer Issues:

Select “How To Reach Us” at

www.socialsecurity.gov/employer

Employer Reporting Service Center

(800) 772-6270

General Inquiries:

www.socialsecurity.gov

(800) 772-1213





Questions?



Thank you for attending.

***Please Remember to Submit
Your Evaluations***

